

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6773

BILL NUMBER: HB 1395

DATE PREPARED: Mar 22, 2001

BILL AMENDED: Mar 22, 2001

SUBJECT: Supplies Made Using Forced Labor.

FISCAL ANALYST: John Parkey

PHONE NUMBER: 232-9854

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill provides that if an offeror offers to furnish supplies made in a country other than the United States, a governmental body may not award a contract to the offeror for those supplies if the supplies were made using forced labor.

Effective Date: July 1, 2001.

Explanation of State Expenditures: (Revised) This bill prohibits governmental bodies from contracting with parties for supplies made outside the U.S. if the supplies are made using forced labor. The federal government defines forced labor as all work or service which is exacted from any person under the menace of penalty and for which the person has not volunteered. Although governmental bodies are not knowingly contracting with such parties, they do not currently check to determine how supplies are produced. The U.S. Department of State reports that there are a number of countries which use forced labor; this list of countries is not static and is updated on an annual basis.

The fiscal impact of this bill is indeterminable because it is not known to what extent governmental bodies contract with parties whose supplies are made by forced labor.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) Purchasing decisions of local entities will also be affected by this proposal.

Explanation of Local Revenues:

State Agencies Affected: Department of Administration.

Local Agencies Affected: Local entities which contract for supplies.

Information Sources: Jay McQueen, Department of Administration, (317) 232-7636; *Country Reports on Human Rights Practices for 1999*, Bureau of Democracy, Human Rights, and Labor-U.S. Department of State, February 25, 2000; U.S. Customs Service.